SASKATCHEWAN DEVELOPMENT FUND CORPORATION 1983 ANNUAL REPORT

ANNUAL REPORT

OF

THE SASKATCHEWAN DEVELOPMENT FUND CORPORATION

OF

THE PROVINCE OF SASKATCHEWAN

FOR THE YEAR ENDING DECEMBER 31, 1983

Letter of Transmittal

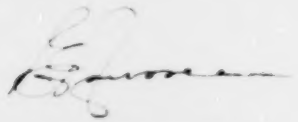
Regina, Saskatchewan
March 20, 1984.

The Honourable Fred W. Johnson,
Lieutenant Governor,
Province of Saskatchewan.

Sir:

I have the honour to submit herewith the annual report of the Saskatchewan Development Fund Corporation for the year ending December 31, 1983, including the financial statements therefor, duly certified by the Provincial Auditor and in the form approved by the Treasury Board, all in accordance with The Saskatchewan Development Fund Act, 1974.

I have the honour to be, Sir, your obedient servant,



Paul Rousseau,
Responsible Minister,
Saskatchewan Development Fund Corporation

CONTENTS

Board of Directors 1

A. Saskatchewan Development Fund

Management Report 3

Auditor's Report 5

Financial Statements 6

B. Saskatchewan Development Fund Corporation

Chairman's Report 17

Auditor's Report 18

Financial Statements 19

THE SASKATCHEWAN DEVELOPMENT FUND CORPORATION

BOARD OF DIRECTORS

Mr. M. D. Acton, Chairman
Honourable P. Rousseau, Vice-Chairman
Mr. M. Costello
Mr. W. J. Craddock

SECRETARY TO THE BOARD

Mr. Dan Baldwin

ACTING GENERAL MANAGER

Mr. T. C. Lane

OFFICE MANAGER

Mrs. Florence Barrow

INVESTMENT MANAGEMENT

Saskatchewan Department of Finance

THE SASKATCHEWAN DEVELOPMENT FUND

REPORT TO SHAREHOLDERS

1983

THE SASKATCHEWAN DEVELOPMENT FUND

HIGHLIGHTS 1983

During 1983, relatively low and stable interest rates raised the market value of the Fund's bond and mortgage investments. The Fund has two sections.

MUTUAL FUND SECTION

The total assets of the mutual fund section were $11,485,700. The value of mutual fund shares and reinvested earnings were as follows:

	1983	1982
Share value at December 31	$ 5.16	$ 5.09
Reinvested earnings per share	56.5¢	49.8¢

During the year the lowest share value occurred in January at $4.89 and the high for the year occurred in April at $5.37.

Shareholders' equity in the mutual fund section at the end of the year was made up of the following:

	Number of Investors	Value
Retirement Savings	1,024	$7,085,492
Regular	472	1,993,542
Home Ownership Savings	49	218,720
Deferred Profit Sharing	10	205,584
Retirement Income Fund	1	23,200
	1,556	$9,526,538

Redemptions from the fund for the year totalled $4,755,253.

Effective July 15, 1983, the mutual fund discontinued the sale of new shares and in effect became a "closed end" mutual fund.

ANNUITY FUND SECTION

The annuity section of the Fund had total assets of $28,116,514 of which $14,015,360 are in loan-back annuities.

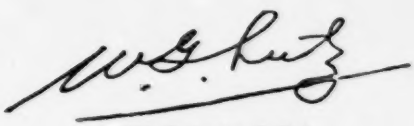
Total annuity premiums during the year were $870,029 compared to $577,284 during 1982. The annuity fund surplus increased to $497,159 from $217,785 in 1982. At December 31, 1982 deferred annuities payable were $28,248,592 (760 contracts); at December 31, 1983 deferred annuities payable were $27,618,980 (758 contracts).

AUDITOR'S REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Development Fund as at December 31, 1983 and the statements of changes in shareholders' equity and annuity fund surplus for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1983 and the changes in the shareholders' equity and annuity fund surplus for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
February 24, 1984

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

SASKATCHEWAN DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION

As at December 31

MUTUAL FUND SECTION

	1983	1982
ASSETS		
Accounts receivable	$ 4,817	$ –
Deposits receivable	–	11,615
Interest receivable	268,227	332,055
Investments, at market value (Note 2A) (Schedule 1)	11,212,656	14,157,487
	$11,485,700	$14,501,157

ANNUITY FUND SECTION

	1983	1982
ASSETS		
Cash on deposit	$ 56,603	$ 23,915
Accounts receivable	7,875	–
Interest receivable	348,680	340,201
Loans receivable (Note 3)	14,015,360	14,504,393
Investments, at amortized cost (Note 2A) (market value 1983 – $13,822,319 1982 – $13,753,599) (Schedule 1)	13,687,996	13,627,373
	$28,116,514	$28,495,882

(See accompanying notes)

Statement 1

SASKATCHEWAN DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION

As at December 31

MUTUAL FUND SECTION

	1983	1982
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Bank Indebtedness	$ 24,012	$ 8,896
Accounts payable — Saskatchewan Development Fund Corporation	50,192	16,366
Redemptions payable	184,958	242,548
Loan payable — Saskatchewan Development Fund Corporation	1,700,000	1,700,000
	1,959,162	1,967,810
Shareholders' equity:		
Shares issued and outstanding: 1,847,524 (1982 - 2,460,371) (Notes 2 & 5) (Statement 2)	9,526,538	12,533,347
	$11,485,700	$14,501,157

ANNUITY FUND SECTION

	1983	1982
LIABILITIES AND ANNUITY FUND SURPLUS		
Liabilities:		
Accounts payable — Saskatchewan Development Fund Corporation	$ 375	$ 29,505
Deferred annuities payable (Notes 2B and 4)	27,618,980	28,248,592
Annuity fund surplus (Statement 3)	497,159	217,785
	$28,116,514	$28,495,882

(See accompanying notes)

Statement 2

SASKATCHEWAN DEVELOPMENT FUND
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
MUTUAL FUND SECTION

Year Ended December 31

	1983	1982
Reinvested earnings:		
Investment income	$1,563,485	$1,812,019
Management fees (Note 6(b))	(143,990)	(130,221)
Interest expense	(159,774)	(413,592)
	1,259,721	1,268,206
Appreciation of investments (Note 2.A.1.(c))	131,314	3,138,460
Net contributions (redemptions) by shareholders:		
Proceeds from sale of shares (Note 6(a))	357,409	415,216
Cost of share redemptions	(4,755,253)	(2,774,966)
	(4,397,844)	(2,359,750)
(Decrease) increase in shareholders' equity	(3,006,809)	2,046,916
Shareholders' equity, beginning of year	12,533,347	10,486,431
Shareholders' equity, end of year	$ 9,526,538	$12,533,347
Share value and reinvested earnings per share (Note 5)		

(See accompanying notes)

SASKATCHEWAN DEVELOPMENT FUND
STATEMENT OF CHANGES IN ANNUITY FUND SURPLUS
ANNUITY FUND SECTION

Year Ended December 31

	1983	1982
Income:		
Investment Income	$1,869,409	$2,249,000
Interest on Loans	1,872,946	1,909,008
	3,742,355	4,158,008
Deduct:		
Annuity and other interest expense (Note 4)	3,376,145	4,084,759
Management fee (Note 6(b))	86,836	121,349
	3,462,981	4,206,108
Increase (decrease) in annuity fund surplus	279,374	(48,100)
Annuity fund surplus, beginning of year	217,785	265,885
Annuity fund surplus, end of year	$ 497,159	$ 217,785

(See accompanying notes)

SASKATCHEWAN DEVELOPMENT FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 1983

1. **Status of the Fund**

Pursuant to The Saskatchewan Development Fund Act, the Fund was established in 1974 and is managed by the Saskatchewan Development Fund Corporation which was also established under provisions of the Act.

2. **Significant Accounting Policies**

A. Investments

1. General

a) Investment transactions are accounted for on the trade date (date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date.

b) Discount and premium amortization — Discounts and premiums in excess of $1,000 on the date each bond, debenture or bearer discount coupon is purchased are amortized over the remaining life of the securities on a straight-line basis.

c) Appreciation (depreciation) of investments

Mutual fund shares are sold or redeemed on the basis of the market value of the investment portfolio as established at the appropriate calculation date in accordance with the procedures outlined in 2.A.2. Accordingly, the cost at which investments are originally recorded as outlined in a) and b) above is adjusted to market value for financial statement purposes.

2. Mutual Fund Section

a) Valuation of assets — Valuation of assets is calculated monthly on the advice of the Investment Manager, Investment and Financial Services Branch of the Department of Finance, according to the following methods:

i) valuation of assets traded on an established exchange are calculated on the basis of the last selling price announced at the close of the last business day of each month;

ii) valuation of assets less frequently traded are set at a level neither greater than the last asking price nor less than the latest bid price;

iii) in cases other than those covered by i) and ii) above, the Saskatchewan Development Fund Corporation has discretionary authority to set a value.

b) Net asset value per share —

i) net asset value per share is computed on the final business day of each month by dividing the total number of shares of the Mutual Fund Section then outstanding into the net value of the assets of that section of the Fund at that date;

ii) the Saskatchewan Development Fund Corporation transacts sales and redemptions of shares at the net asset value per share computed on the first calculation day after receipt of a firm order.

3. Annuity Fund Section

Investments in this section are recorded at amortized cost as outlined in 2.A.1 with no adjustment recorded to reflect current market values.

B. Deferred Annuities Payable

The total amount payable to annuitants over the remaining life of outstanding contracts at December 31, 1983 was $53,966,645 (1982 — $56,073,535). The fund follows the policy of discounting the total liability under annuity contracts by the interest rate implicit in each contract when sold.

3. Loans Receivable

In 1980 and 1981, the Saskatchewan Development Fund Corporation entered into annuity contracts in which a loan was made to the annuitant of a substantial portion of the qualifying amount of the annuity at an interest rate that equates the loan repayments to the annuity amounts received. Accrued interest to December 31, 1983 of $801,231 (1982 — $1,130,897) is included with loans receivable.

4. Deferred Annuities Payable

	1983		1982
Balance, beginning of year		$28,248,592	$36,685,974
Annuity contracts sold (Note 6(a))		870,029	577,284
Annuity payments made	$(4,875,785)	$(13,099,425)	
Less annuity interest expense	3,376,144	4,084,759	
		(1,499,641)	(9,014,666)
Balance, end of year		$27,618,980	$28,248,592

5. **Share Value and Reinvested Earnings Per Share**

	1983	1982
Share value at December 31	$5.16	$5.09
Reinvested earnings per share	56.5¢	49.8¢

Per share calculations were made as undernoted:

Share value – calculated on the number of shares outstanding at the end of the fiscal year.

Reinvested earnings per share – reflects the sum of the earnings allocated throughout the year to shareholders' accounts based on the number of shares outstanding at the beginning of the month for which the respective earnings were recorded.

6. **Management Fees and Other Charges**

To meet the selling and other expenses of managing the Fund, the following charges are made by the Saskatchewan Development Fund Corporation:

a) sales charges –
   i) mutual fund section – an assessment, not exceeding 4% on funds invested by mutual fund shareholders at the time of investment. This charge ceased on July 15, 1983 (See Note 7).
   ii) annuity fund section – a commission not exceeding 1½% of the premium received plus $125 on each annuity contract.

   These amounts are deducted in the determination of the net proceeds received from sales of shares and annuity contracts by the Fund.

b) an annual management fee being the lesser of 1¼% of the net value of the assets of the Fund or the expenses and charges attributable to the management of the Fund.

7. **Operations**

Effective July 15, 1983, the Saskatchewan Development Fund discontinued the sale of new shares and in effect became a "closed end" mutual fund.

Schedule 1

SASKATCHEWAN DEVELOPMENT FUND
SCHEDULE OF INVESTMENTS

December 31, 1983

MUTUAL FUND SECTION

Description	Rate	Maturity Date	Amortized Cost	Market Value	Percent of Total Investments
Dominion, Provincial and Municipal Bonds					
Saskatchewan	10.00%	Dec. 02/99	$1,025,387	$ 820,875	
Saskatchewan	10.25%	Apr. 01/01	981,601	793,250	
Saskatchewan	9.00%	Feb. 01/02	839,184	710,125	
Saskatchewan	9.50%	Jun. 15/03	629,444	583,125	
Saskatchewan	10.00%	May 15/04	775,114	807,500	
Ontario Hydro	9.75%	May 01/05	1,144,536	912,450	
Nova Scotia Power	13.50%	Dec. 01/02	496,047	512,500	
Nfld. & Lab. Power	10.25%	Oct. 15/01	100,000	80,875	
Quebec Hydro	10.75%	Mar. 27/04	200,000	166,000	
City of Regina	11.25%	Oct. 31/95	394,058	331,150	
			6,585,371	5,717,850	50.99%
Corporate Debentures					
Consumers' Gas	11.50%	Mar. 15/96	100,000	91,750	
CP Hotels	11.375%	May 15/95	100,000	89,750	
Great West Life	12.75%	Nov. 15/93	500,000	503,125	
Sask. Wheat Pool	9.875%	Jun. 15/97	173,000	141,428	
			873,000	826,053	7.37%
Convertible Debentures					
Royal Bank	15.50%	Dec. 09/91	992,062	1,200,000	10.70%

MUTUAL FUND SECTION — (continued)

Description	Rate	Maturity Date	Amortized Cost	Market Value	Percent of Total Investments
Shares					
10,000 NorCen Energy Pfd			$ 250,000	$ 256,250	2.29%
Mortgages					
Morguard Trust	10.75%		511,720	475,029	
Morguard Trust	19.50%		37,925	40,584	
Morguard Trust	10.75%		229,533	216,955	
Morguard Trust	10.75%		489,446	455,283	
Morguard Trust	11.875%		212,378	202,163	
Morguard Trust	11.00%		268,804	250,525	
Morguard Trust	10.75%		214,205	199,853	
Morguard Trust	10.50%		98,190	91,194	
Toronto-Dominion Bank	10.50%		235,375	218,192	
Toronto-Dominion Bank	11.75%		620,388	590,423	
First City Trust	10.50%		509,495	472,302	
			3,427,459	3,212,503	28.65%
			$12,127,892	$11,212,656	100.00%*

* Percent of total investments is calculated with reference to market value.

ANNUITY SECTION

Description	Rate	Maturity Date	Amortized Cost	Market Value	Percent of Total Investments
Term Investments					
Unit. Grain Grow PN	9.65%	Jan. 11/84	$ 500,000	$ 500,000	
Roynat PN	9.85%	Feb. 08/84	236,301	236,301	
Credit Foncier PN	9.80%	Feb. 15/84	128,312	128,312	
Ontario Hydro BDC	13.375%	Mar. 25/85	240,833	245,579	
B.C. Hydro BDC	14.50%	Apr. 14/86	279,307	281,228	
B.C. Hydro BDC	14.50%	Oct. 14/86	265,291	265,383	
			1,650,044	1,656,803	12.06%
Dominion, Provincial and Municipal Bonds					
Saskatchewan	8.75%	Dec. 01/90	840,015	860,000	
Saskatchewan	10.00%	Dec. 02/99	409,707	330,000	
Ontario Hydro	9.375%	Jan. 25/05	487,320	382,500	
B.C. Hydro	14.50%	Apr. 14/06	37,816	43,500	
B.C. Municipal Fin	10.25%	May 15/99	168,472	190,000	
B.C. Municipal Fin	12.25%	Dec. 06/99	500,000	475,000	
N.B. Electric	13.75%	May 15/85	200,000	213,000	
Nova Scotia Power	9.375%	Jan. 10/03	198,097	151,500	
Prince Ed. Island	10.625%	Apr. 18/04	248,985	206,250	
Quebec Hydro	15.75%	Jul. 09/84-96	249,782	287,500	
			3,340,194	3,139,250	24.40%

ANNUITY SECTION — (continued)

Description	Rate	Maturity Date	Amortized Cost	Market Value	Percent of Total Investments
Corporate Debentures					
Avco Finance	13.00%	Nov. 01/89	$ 198,785	$ 200,000	
Bank of Montreal	11.75%	Sep. 08/91	212,731	267,500	
C.I.B.C. Mortgage	12.75%	Sep. 01/88	450,000	460,125	
Consumers' Gas	18.50%	Oct. 01/86-91	250,000	310,000	
Credit Foncier	14.50%	Apr. 21/85	10,000	10,350	
Dofasco	13.50%	Nov. 01/00	248,948	253,750	
Edmonton Centre	9.25%	Apr. 01/99	192,310	148,892	
GMAC	16.00%	Dec. 03/86	200,000	221,500	
Great West Life	12.50%	Nov. 15/88	500,000	503,120	
Household Fin Corp	10.00%	Dec. 01/84	214,297	224,438	
Inland Nat Gas	18.25%	Nov. 15/84-96	227,000	286,020	
Maritime Tel	16.50%	Jul. 15/86	250,000	276,250	
Maritime Tel	10.75%	Mar. 15/97	260,730	215,000	
Nova An Alta	17.75%	Feb. 15/97	108,797	131,450	
Nu-West Dev	11.50%	May 31/99	111,000	111,000	
Pacific Nor Gas	18.00%	May 01/97	500,000	627,500	
RM Halton Ontario	13.75%	Dec. 01/86-90	250,000	258,750	
Roynat Inc	17.00%	Jul. 29/86	200,000	222,720	
Simpsons Sears	12.75%	Jun. 15/00	375,000	360,937	
Simpsons Sears	14.75%	Apr. 01/96	99,183	103,250	
Standard Brands	14.00%	Mar. 15/00	500,000	507,500	
Stelco	13.50%	Oct. 01/00	100,000	101,000	
Tordom Corp.	18.375%	Aug. 18/86	200,000	228,000	
Toronto-Dominion Bk	9.125%	Jul. 15/84	98,926	99,250	
Traders Grp	9.50%	Jun. 15/91	78,928	82,000	
Victoria & Grey	12.25%	Jul. 22/88	500,000	500,000	
Walker Home Oil	15.50%	Dec. 15/86-91	149,377	175,925	
West Coast Trans	12.25%	Jul. 15/00	384,286	376,000	
			6,870,298	7,262,227	50.19%
Mortgages					
Morguard Trust	12.00%		106,547	101,326	
Morguard Trust	12.00%		107,242	101,987	
Morguard Trust	12.00%		110,003	104,613	
Morguard Trust	10.75%		107,780	97,833	
Morguard Trust	10.75%		107,851	97,897	
Morguard Trust	11.375%		301,741	284,270	
Morguard Trust	11.375%		197,302	180,452	
Morguard Trust	12.875%		321,784	323,682	
Maritime Life	10.75%		243,682	237,029	
Toronto-Dominion Bk	14.75%		223,528	234,950	
			1,827,460	1,764,039	13.35%
			$13,687,996	$13,822,319	100.00%*

* Percent of total investments is calculated with reference to amortized cost.

SASKATCHEWAN DEVELOPMENT FUND CORPORATION HIGHLIGHTS 1983

The Saskatchewan Development Fund Corporation was established in 1974 under The Saskatchewan Development Fund Act to perform the duties of trustee, custodian, and manager for the Saskatchewan Development Fund.

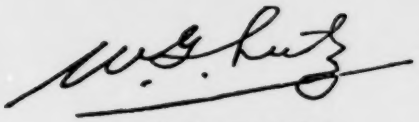
The corporation recorded net earnings of $90,307 for 1983. This represents an improvement over 1981 and 1982 when the corporation incurred losses of $456,499 and $123,636 respectively.

AUDITOR'S REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Development Fund Corporation as at December 31, 1983 and the statements of operations and deficit and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan,
February 24, 1984

W. G. Lutz, F.C.A.,
Provincial Auditor.

SASKATCHEWAN DEVELOPMENT FUND CORPORATION
STATEMENT OF FINANCIAL POSITION

As At December 31

	1983	1982
ASSETS		
Current Assets		
Cash and short term deposit (Note 3)	$ 466,502	$ 327,727
Accounts receivable — Saskatchewan Development Fund	10,502	45,870
Interest receivable — Saskatchewan Development Fund	40,064	—
Loan receivable — Saskatchewan Development Fund	1,700,000	1,700,000
Prepaid expenses	8,298	14,282
	2,225,366	2,087,879
Furniture and equipment (Note 4)	2,241	2,802
	$2,227,607	$2,090,681
LIABILITIES AND PROVINCE'S EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	$ 50,067	$ 3,448
Promissory note — Province of Saskatchewan	1,700,000	1,700,000
	1,750,067	1,703,448
Province of Saskatchewan's Equity		
Advances (Note 5 and 6)	1,497,175	1,497,175
Deficit	(1,019,635)	(1,109,942)
	477,540	387,233
	$2,227,607	$2,090,681

(See accompanying notes)

SASKATCHEWAN DEVELOPMENT FUND CORPORATION
STATEMENT OF OPERATIONS AND DEFICIT

For the Year Ended December 31

	1983	1982
Revenue		
Fund management (Note 8)	$ 258,035	$ 274,728
Interest	194,016	460,187
	452,051	734,915
Expenses		
Selling and administrative	201,110	257,925
Guarantees (Note 6)	849	187,830
Interest	159,785	412,796
	361,744	858,551
Net earnings (loss)	90,307	(123,636)
Deficit, beginning of year	(1,109,942)	(986,306)
Deficit, end of year	$(1,019,635)	$(1,109,942)

(See accompanying notes)

SASKATCHEWAN DEVELOPMENT FUND CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Year Ended December 31

	1983	1982
Source of Funds		
From operations		
Net earnings (loss)	$ 90,307	$(123,636)
Items not requiring an outlay of funds — depreciation	561	700
	90,868	(122,936)
Equity advances (Note 6)		
Crown Investments Corporation of Saskatchewan	—	101,626
	90,868	(21,310)
Application of Funds	—	—
Increase (decrease) in working capital	90,868	(21,310)
Working capital, beginning of year	384,431	405,741
Working capital, end of year	$ 475,299	$ 384,431

(See accompanying notes)

SASKATCHEWAN DEVELOPMENT FUND CORPORATION
NOTES TO FINANCIAL STATEMENTS

December 31, 1983

1. **Status of the Corporation**

The Saskatchewan Development Fund Corporation was established in 1974 under The Saskatchewan Development Fund Act to perform the duties of trustee, custodian and manager for the Saskatchewan Development Fund.

The Corporation has been designated by Order-in-Council as a corporation to which the provisions of Part II of The Crown Corporations Act apply. Accordingly the financial results of the Corporation are included in the consolidated financial statements of the Crown Investments Corporation of Saskatchewan.

2. **Summary of Significant Accounting Policies**

Furniture and equipment

The costs of maintenance and repairs are charged to operations as they arise. The costs of major replacements, extensions and improvements are capitalized in the furniture and equipment accounts. On retirement or disposal of furniture and equipment, the costs thereof and the related accumulated depreciation are eliminated from the accounts and any gains or losses are reflected in the statement of operations.

Depreciation

Furniture and equipment are depreciated over their estimated useful lives at the rate of 20% per year on a declining balance basis.

3. **Cash and Short Term Deposit**

This amount includes a $450,000 (1982 — $247,000) interest bearing deposit with the Crown Investments Corporation of Saskatchewan.

4. **Furniture and Equipment**

	1983	1982
Furniture and equipment, at cost	$9,068	$9,068
Accumulated depreciation	6,827	6,266
Net book value	$2,241	$2,802

5. **Advances**

These advances are non-interest bearing and repayable to the Crown Investments Corporation of Saskatchewan at its discretion.

6. **Guarantees**

In accordance with the provisions of The Saskatchewan Development Fund Act, the Corporation has guaranteed to each mutual fund shareholder the return of his investment in the fund less sales charge, together with interest at the rate of 5% compounded annually from the date of investment in the fund. In 1983, the amount by which the guaranteed sums exceeded the value of shares redeemed at their respective redemption dates was $849 (1982 – $187,830). The cumulative guarantees paid for shares redeemed was $1,084,227 to December 31, 1983.

The Crown Investments Corporation of Saskatchewan financed a portion of the cost of the Corporation's redemption guarantees by means of non-interest bearing equity advances. Advances of $997,175 have been received from the Crown Investments Corporation of Saskatchewan for the guarantee expenses incurred by the Corporation to December 31, 1983.

7. **Remuneration of Directors and Officers**

As at December 31, 1983, four persons (1982 - five) served on the Company's Board of Directors. The Corporation's directors received $3,068 (1982 – $813) from the Saskatchewan Development Fund Corporation in 1983. The two senior officers (1982 – three) received, in aggregate, $38,362 in salaries for 1983 (1982 – $81,070).

8. **Fund Management Fees and Other Charges**

To meet the selling and other expenses of managing the Saskatchewan Development Fund, the following charges are made by the Corporation:

a) sales charges –
   i) mutual fund section – an assessment, not exceeding 4% on funds invested by mutual fund shareholders at the time of investment. This sales charge ceased effective July 15, 1983 when the Saskatchewan Development Fund discontinued the sale of new shares,
   ii) annuity fund section – a commission not exceeding 1½% of the premium received plus $125 on each annuity contract sold,

b) an annual management fee being the lesser of 1¼% of the net value of the assets of the fund, or the expenses and charges incurred by the Corporation attributable to the management of the fund.

9. **Related Party Transactions**

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the corporation is related.

Account balances resulting from these transactions are included in the statements of financial position and are settled on normal trade terms.

Other amounts due to and from related parties and the terms of settlement are described separately in the financial statements and the notes thereto.